

NORTHERN TERRITORY RACING COMMISSION

Reasons for Decision

Complainant:	Mr L
Licensee:	Sportsbet Pty Ltd
Proceedings:	Gambling Disputes for determination by Racing Commission Pursuant to section 85(2) of the <i>Racing and Betting Act</i>
Heard Before: (on papers)	Mr Alastair Shields (Presiding Member) Ms Amy Corcoran Mr James Pratt
Date of Decision:	4 September 2020

Background

1. On 2 February 2018 pursuant to section 85(2) of the *Racing and Betting Act (the Act)*, the Complainant lodged a gambling dispute with the Northern Territory Racing Commission (**the Commission**) relating to the actions of Sportsbet Pty Ltd (Sportsbet) in voiding three (3) multibets that he had struck on the 2017 PDC World Grand Prix darts tournament (**the Tournament**) on 1 October 2017 via Sportsbet's Smart Phone Application.
2. The three (3) separate multi-bets were:
 - a. multibet with 5 legs (bet number 0/2721077/0002419/D) (**First Bet**):

\$5 @ 34,816: Alan Norris v |Justin Pipe (\$8), Joe Cullen v Darren Webster (\$8), Steve Beaton v Rob Cross (\$8), Robert Thornton v Kim Huybrechts (\$8), Raymond van Barneveld v Kyle Anderson (\$8.5);
 - b. a multibet with 6 legs (bet number 0/2721077/0002418/D) (**Second Bet**):

\$4 @ 278,528 : Peter Wright v Stephen Bunting (\$8), Mensur Suljovic v Ian White (\$8), Simon Whitlock v Christian Kist (\$8), Mervyn King v Ronny Huybrechts (\$8), Raymond van Barneveld v Kyle Anderson (\$8.5), Alan Norris v Justin Pipe (\$8);
 - c. a multibet with 4 legs (bet number 0/2721077/0002425/D) (**Third Bet**):

\$10 @ 4,096: Peter Wright v Stephen Bunting (\$8), Gary Anderson v Richard North (\$8), Michael Smith v Gerwyn Price (\$8), Mensur Suljovic v Ian White (\$8).

(together the **Bets**);
3. Each leg of the Bets was placed on the same market on different matches in the Tournament, all of which the Complainant's selection for the first dart, in the first leg in each match, was an 'Other' scoring option.

4. On 2 October 2017, following the First Bet being made void, the Complainant phoned Sportsbet on three separate occasions to understand what had happened. On each occasion Mr L was assured that the matter was being dealt with and that Sportsbet would respond as soon as possible.
5. During the first call at 8.21am, the Complainant made it clear that he had placed three bets on the tournament although only the First Bet had been made void at that stage (as the Second Bet and the Third Bet still had legs which were open). At 6:28pm, Sportsbet contacted the Complainant to advise him that the First Bet was made void pursuant to their terms and conditions because the market was offered in obvious error as the 'double rule' applied to the Tournament. The Complainant raised the issue of the Second Bet and Third Bet during this call to determine whether these would also be made void;
6. At 6:29pm, Sportsbet sent an email to the Complainant to confirm the reason for the Bets being voided and also providing details of how to make a complaint, should he wish to do so. The Complainant then sent a formal complaint to the bookmaker on the evening of 2 October 2017.
7. At 10.57am on 3 October 2017, Sportsbet's Complaints' Department contacted the Complainant by phone and again confirmed the error and explained the reason for the cancellation. The Complainant was also offered two (2) \$100 bonus bets as a consolation for this error as a goodwill gesture. The bonus bets were not accepted by the Complainant.
8. The Complainant submits the Bets were both lawful and winning bets and is seeking Sportsbet make payment to him of the returns for each of the Bets as set out below:
 - a. First Bet - \$174,080;
 - b. Second Bet - \$1,114,112; and
 - c. Third Bet - \$5,120 (minus \$1,000 withdrawn by the Complainant when Sportsbet say it inadvertently paid out this bet).
9. Sportsbet submit that the Bets were all cancelled in accordance with their terms and conditions due to 'obvious error' and no monies are payable to the Complainant.
10. Information was gathered from the parties involved by Licensing NT officers appointed as betting inspectors by the Commission and provided to the Commission to consider the gambling dispute on the papers.

Consideration of the Issues

11. The objects of the Act are the promotion of probity and integrity in racing and betting in the Northern Territory; maintaining the probity and integrity of persons engaged in betting in the Northern Territory; promoting the fairness, integrity and efficiency in the operations of persons engaged in racing and betting in the Northern Territory; and reducing any adverse social impact of betting.

12. In furtherance of those objects, section 85 of the Act provides the Commission with the jurisdiction to determine all disputes between a sports bookmaker and its customer regarding lawful betting. In this respect, section 85 sets out the decision making regime for the making of a determination by the Commission as to whether the disputed bet is lawful and provides that a person may take legal proceedings to recover monies payable on a winning lawful bet or for the recovery of monies owed by a bettor on account of a lawful bet made and accepted.
13. The clear purpose of section 85 is to authorise the Commission following an investigation, to determine whether or not the impugned bet or bets were lawful. The Commission's jurisdiction does not extend to other issues such as whether a remedy is available to any of the parties that would see them entitled to avoid the obligation being pursued such as a claim that a sports bookmaker engaged in misleading or deceptive conduct in inducing the bettor to bet.
14. It is important to note that in order to further the objects of the Act, the Act provides for the Commission to make rules for the control and regulation of sports bookmakers and in doing so, the Commission approves the terms and conditions of sports bookmaker licences which include the terms and conditions of agreements entered into between sports bookmakers and their customers.
15. The terms and conditions that both the sports bookmaker and the customer are bound by when a betting account is opened and each time a bet is struck, usually contain a rule that allows the sports bookmaker to correct any prices or markets offered which are inadvertently offered in obvious or manifest error.

Obvious Error

16. At the time the Complainant's bets were struck, the following rule formed part of Sportsbet's terms and conditions:

Rule 90. Sportsbet makes every effort to ensure that no errors are made in prices offered or bets accepted on an Account. However, we reserve the right to correct any obvious errors and to void any bets where such has occurred. Should this occur, Sportsbet will endeavour to contact the Member by email or telephone.
17. The above rule on errors explains to the customers of Sportsbet that when Sportsbet detects that an obvious erroneous price or market has been provided, Sportsbet reserves the right to void the bet. As has often been articulated in previous Commission decisions, it is the view of the Commission that the commercial efficacy of the sports bookmaker business model must have error limiting clauses such as this so as to avoid a sports bookmaker from unjustly suffering a loss where a legitimate or innocent error has occurred. It is the view of the Commission however, that obvious or manifest error rules should not be used to protect sports bookmakers from errors of judgement, lack of vigilance or movements in the market that they have failed to detect and respond to.
18. The issue for consideration by the Commission therefore in determining the current gambling dispute before it, is whether the obvious error rule has been implemented reasonably and fairly by Sportsbet.
19. The Complainant submits in respect to the obvious error rule that "the application of this term must be approached objectively. An objective interpretation of this clause

would be one that suggests that the information provided by the bookmaker was unambiguously incorrect, not only to the bookmaker but also to the world at large.”

20. In many previous decisions¹, the Commission is of the view that in order to consider if an error was obvious it must consider the evidence and information provided by the bookmaker to determine whether or not an obvious error had occurred and such error would have been “discernible to a sports bookmaker customer with a reasonable knowledge of betting; as well as a knowledge of the sport involved in the betting markets in question”. It does not need to be obvious to the world at large.

Was the market offered in error?

21. The Tournament was held from 1 to 7 October 2017. It features a unique double-start format, which sees players needing to both begin and end each leg with a “double” (**the Double Rule**). In darts, a “double” refers to hitting any number on the outer or ‘double ring’ which results in the player scoring double points for that dart.
22. Sportsbet offered a series of markets on this Tournament that were all impacted by the same error. The markets allowed customers to bet on the following selection for the first dart, in the first leg, in each match in the Tournament, with the first dart being either:
- a. a ‘Treble 20’;
 - b. a ‘Single 20’; or
 - c. ‘Other’.

‘Other’ represents any result for the first dart in the first leg excluding a Treble 20 and a Single 20.

23. The market prices offered were as follows:

First dart first leg	Odds
Treble 20	\$2.25
Single 20	\$1.90
Other	\$8.00

24. Sportsbet submit that because of the Double Rule, it was obvious that each market had only one (1) possible winning outcome being “Other” as the first dart had to be a ‘double’ in order to start the game.
25. Sportsbet further submit that as the only possible winning combination was a ‘double’, it was impossible for the Complainant’s bet to lose and accordingly the pricing of the contingency was also an “obvious error” in which the bookmaker was entitled to void in accordance with its terms and conditions.

¹ B v BetEasy, dated 28 February 2020; L v Sportsbet, dated 5 November 2019

26. Sportsbet even go so far as to suggest the Complainant was aware of this error and sought to exploit it by placing every leg of each of the First Bet, Second Bet and Third Bet on the selection 'Other' which was, of course, the only possible winning selection in each leg of each Bet.
27. Sportsbet referred the Commission to the website of the Professional Darts Corporation (**PDC**) which confirms that indeed the Tournament requires that each player needs to begin with a 'double', specifically it states:

"Double Start Format:

*Some versions of the game require a 'double start' whereby players must begin the game with a double as well as 'checking out' on a double. The World Grand Prix uses the 'double in, double out' rule."*²

28. The Complainant submits that Sportsbet's submissions are "factually incorrect" and:
- a. the rules of the Tournament, require the player hitting any number on the 'double ring' to both *begin* (relevant to our client's bet) and *end* (for present purposes, irrelevant) each leg;
 - b. however, the market offered was the *first dart* therefore it did not matter whether or not the player would satisfy the Double Rule; the bets related to what they *actually* hit;
 - c. any of the players selected for the various bets could have hit any of a single, double or treble on the first dart. The fact that they would have to take another turn and hit a double before they could progress, and have such attempts scored, does not alter the result of the first dart;
 - d. thus, the rules of the tournament have no application to the bet placed.

29. In his submissions, the Complainant stated:

"at most, *subjectively*, a suggestion might be made that the odds were very much in its favour; no doubt, each of the players would have been targeting a Double on the first dart. However, there is respectfully no difference with a punter placing a bet on the first team to score a goal in a soccer or Australian Rules football match. *Of course*, that team and its players will be *aiming* for the goal. It is entirely possible that notwithstanding their skill, they will miss. Contrary to Sportsbet's assertion that 'Other' was of course, the only possible winning selection in each leg of each Bet", the bet was *not* predicated on the Tournament rules. The first dart *was* the first dart, irrespective of whether it counted towards the players score. Therefore, its position is entirely untenable."

30. On considering the evidence before it and the Tournament's Double Rule, the Commission considers that the first dart of the Tournament must be a 'double' to begin. In the less probably situation whereby a dart is thrown and does not hit a double, the player's game has not begun. The player's first dart can only be a double in the Tournament and therefore the Commission accepts that Sportsbet offered the

² <https://www.pdc.tv/players/rules-darts>

market in error and the error is obvious both from an objective view of the evidence before it and also a subjective view from a customer who is well versed in the game of darts.

31. In any event, even if the Complainant's submission were correct that the market itself was not offered in obvious error, it would be a difficult hurdle to overcome that the prices for the market were not offered in obvious error given the Double Rule, professional nature of the Tournament and skill set of the players involved.
32. It is unfortunate that such errors are made by sports bookmakers at times, and the Commission urges Sportsbet to be more vigilant when framing and offering markets to their customers. A sports bookmaker must have the appropriate systems in place in order to be cognisant of the varying rules and conditions of play for each sports' tournament or match it frames a market for its commercial operation, to ensure such erroneous markets are not published. It is the Commission's view this market was obviously offered by Sportsbet inadvertently and greater care must be taken in the future to ensure that such errors are not repeated.

Decision

33. The Commission is authorised, following an investigation, to declare that a disputed bet is lawful or not lawful so far as the requirements of the Act are concerned.
34. In deciding whether a bet is lawful, the Commission must look to the substance of the transaction and whether it should be enforced or not. When determining matters involving the use by a sports bookmaker of the 'error rule' to void bets that have been struck, the Commission will also look at whether the 'error rule' has been implemented reasonably and fairly.
35. In this matter, the Commission has determined that the Complainant's bets are lawful bets pursuant to section 85(1A) of the Act given that they were struck in accordance with the Act, relevant Codes of Practice, the conditions of the sports bookmaker licence held by Sportsbet and Sportsbet's terms and conditions.
36. However, sports bookmakers typically offer a wide variety of betting markets at any given moment and unfortunately from time to time, obvious errors are made through human or system error. In examining the evidence before it, the Commission is satisfied that the betting markets offered by Sportsbet in relation to the Tournament were offered in obvious error.
37. While it is unfortunate that the bets were struck on betting markets that were clearly offered in obvious error, it is the view of the Commission that Sportsbet in accordance with its terms and conditions, to which the Complainant agreed to at the time of opening his betting account, implemented its error rule reasonably and fairly and was entitled to void the bets and notify the Complainant of its decision to do so.
38. As such, it is the view of the Commission that there is no outstanding monies payable by Sportsbet to the Complainant.

Review of Decision

39. Section 85(6) of the Act provides that a determination by the Commission of a dispute referred to it pursuant to section 85 of the Act shall be final and conclusive as to the matter in dispute.

A handwritten signature in cursive script that reads "Alastair Shields".

Alastair Shields
Chairperson

4 September 2020